

6-303A010

OCT 29 1976

Date

Fee \$ 50-

ICC Washington, D. C.

ROBERT E. RICHARDSON
PRESIDENT

LUFKIN NATIONAL BANK

October 28, 1976

RECORDATION NO. 8536 Filed & Recorded

OCT 29 1976 - 9 20 AM

INTERSTATE COMMERCE COMMISSION

Secretary of The Interstate Commerce Commission
Washington, D. C. 20423

In Re: Recordation of Mortgage of Railroad Equipment

Dear Sir:

Prusuant to Title 49, Section 20c U.S.C.A., The Lufkin National Bank, a party to the mortgage instrument hereinafter mentioned is submitting herewith for recordation the original and two Certified copies of the Security Agreement dated September 14, 1976, wherein The Lufkin National Bank is the secured party and Angelina & Neches River Railroad Company is the debtor.

Further, in accordance with Regulation 1116 we furnish the following information:

Mortgagor: Angelina & Neches River Railroad Company
P. O. Box 1312
Lufkin, Texas 75901

Mortgagee: The Lufkin National Bank
P. O. Box 789
Lufkin, Texas 75901

Collateral: 100 new 50 ft. 7 in. long, single sheath, all-steel, 70 ton box cars manufactured by Pacific Foundry Company of Renton, Washington, consecutively, ANR 300-399 and all additions and replacements or substitution thereof.

We are also enclosing herewith Cashier's Check No. 1000000000 for the filing cost.

203 SOUTH FIRST STREET PHONE: (713) 632-4411
P.O. DRAWER 789 LUFKIN, TEXAS 75901

RECEIVED
OCT 29 9 14 AM '76
FEE OPERATION BR.

Secretary of The Interstate Commerce Commission
Page 2
October 28, 1976

We request that these be duly recorded and the recordation thereof
be recorded on the original documents and such original documents
returned to our attorney as follows:

Return to
Mr. Jack D. Hicks, Esq.
P. O. Box 1728
Lufkin, Texas 75901

THE LUFKIN NATIONAL BANK

By


R. E. Richardson, President

RER:mm

Interstate Commerce Commission

Washington, D.C. 20423

10/29/76

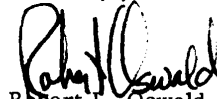
OFFICE OF THE SECRETARY

Mr. Jack D. Hicks, Esq.
P.O. Box 1728
Lufkin, Texas 75901

Dear

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 10/29/76 at 9:20am
and assigned recordation number(s) 8536

Sincerely yours,



Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

REGISTRATION NO. 3536 Filed & Recorded

OCT 29 1976 9 22 AM

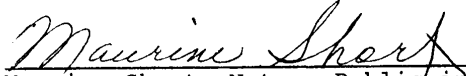
INTERSTATE COMMERCE COMMISSION

CERTIFICATE FOR SUBMISSION OF COPIES
TO INTERSTATE COMMERCE COMMISSION

THE STATE OF TEXAS X
 X KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ANGELINA X

I, Maurine Short, a Notary Public in and for Angelina County, Texas, do hereby certify that I have compared the original Security Agreement dated September 14, 1976, wherein Angelina & Neches River Railroad Company is debtor and The Lufkin National Bank, Lufkin, Texas, is secured party, given to secure the payment of a promissory note to be dated October 29, 1976, in the original principal amount of TWO MILLION AND NO/100 (\$2,000,000.00) DOLLARS, with the copy of such Security Agreement attached to this Certificate and do hereby certify that the attached copy thereof is true and correct in all respects when compared to the aforementioned Original Security Agreement.

To certify which WITNESS MY HAND AND SEAL OF OFFICE this 28th day of October, 1976.


Maurine Short, Notary Public in
and for Angelina County, Texas

My commission expires June 1, 1977.

SECURITY AGREEMENT

Angelina & Neches River Railroad Company 2225 Spence
 Debtor's Name Street Address
Lufkin, Angelina County, Texas
 City County State

(hereinafter called in accordance with the terms and provisions of the Uniform Commercial Code - DEBTOR) for value received hereby grants to The Lufkin National Bank
 Secured Party's Name

(hereinafter called in accordance with the terms and provisions of the Uniform Commercial Code - SECURED PARTY) whose address is 203 South First Lufkin, Angelina County, Texas,
 Street City, County, and State

a security interest in and mortgages to SECURED PARTY the following described property (which hereinafter is referred to as COLLATERAL) to-wit: 100 new 50 ft. 7 in. long, single sheath all steel, 70 ton boxcars manufactured by Pacific Car & Foundry Company of Renton, Washington, numbered consecutively, ANR300-399, such equipment being acquired contemporaneously with or pursuant to this Security Agreement and all additions and accessions thereto and replacements or substitutions therefor.

(Note -- If COLLATERAL is crops, or oil, gas or minerals to be extracted, or timber to be cut, or if COLLATERAL is to become a fixture, describe in the above space following the description of the COLLATERAL the real estate concerned, and give the name of the record owner hereof.)

to secure DEBTOR'S note to SECURED PARTY dated October 29, 1976, for \$ 2,000,000.00.

DEBTOR warrants and covenants: (Not. - Place DEBTOR'S initials in the blank space before each statement which applies to this agreement.)

___ COLLATERAL is to be used for personal, family, or household purposes.

☒ COLLATERAL is to be used in business other than farming operations.

___ COLLATERAL is equipment used in farming operations, or farm products, or accounts, contract rights or general intangibles arising from or relating to the sale of farm products by a farmer.

___ COLLATERAL is accounts or contract rights and the records concerning same are kept at

or if left blank at address given for DEBTOR.

___ COLLATERAL is a fixture attached to or to become a fixture attached to the above described land.

The covenants, warrantys, representations and agreements set forth in Exhibit "A" attached hereto are incorporated herein by reference for all purposes.

The warranties, covenants, terms and agreements on the reverse side hereof are incorporated herein and made a part hereof for all intents and purposes. DEBTOR and SECURED PARTY as used in this Security Agreement include the heirs, executors or administrators, successors or assigns of those parties.

Dated this 14th day of September, 1976.

THE LUFKIN NATIONAL BANK

By: [Signature]
 President Signature of SECURED PARTY

ATTEST:

[Signature]
 A. Cashier

ANGELINA & NECHES RIVER RAILROAD COMPANY

By: [Signature]
 Signature of DEBTOR President

ATTEST:

[Signature]
 Secretary

EXHIBIT "A"
TO BE ATTACHED TO SECURITY AGREEMENT
EXECUTED BY AND BETWEEN
ANGELINA & NECHES RIVER RAILROAD COMPANY, AS DEBTOR,
AND THE LUFKIN NATIONAL BANK, LUFKIN, TEXAS,
AS SECURED PARTY

Debtor further warrants, covenants, represents and agrees as follows:

- (1) Debtor is a Texas corporation and is in good standing. The Debtor has the corporate power to own all of its property and to carry on its business as now being conducted and as proposed to be conducted.
- (2) The Debtor is not a party to any contract or agreement or subject to any charter or other corporate restriction materially and adversely affecting its business, property, assets, operations or condition, financial or otherwise.
- (3) There are no actions, suits or proceedings against Debtor pending in any court or before any administrative agency or threatened against Debtor which involve the possibility of any judgment or liability not fully covered by insurance or which may result in any material adverse change in Debtor's business, property or assets.
- (4) Debtor will preserve its corporate existence.
- (5) Debtor will conduct its business in the manner customary for companies engaged in similar businesses and operating similar properties and will comply with the laws of the United States of America and of the State of Texas as well as all other states in which Debtor does business.
- (6) The financial information furnished by Debtor to Secured Party is true and correct and has been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered and thoroughly presents the financial position and the results of the operations of the Debtor for the respective periods indicated, and there has been no material adverse change in condition, financial or otherwise, of the Debtor since the date of such financial statements.
- (7) The indebtedness secured hereby represents funds advanced by Secured Party for the benefit of Debtor as a part of the purchase price for the collateral described herein; that such collateral was purchased in the ordinary course of Debtor's business; and Debtor in the use of such collateral will operate the same in conformity with the Association of American Railroads Interchange Rules and the Association of American Railroads Car Hire Rules.

(8) Debtor, in the execution of this Security Agreement, and in borrowing the indebtedness secured hereby is not in violation of any existing note agreement, loan agreement, or other similar type agreement with another lender or lenders.

(9) Debtor will furnish to Secured Party within ninety (90) days after the end of each fiscal year of the Debtor, copies of the balance sheet of the Debtor and statements of income and retained earnings of the Debtor for such year, such balance sheet and statement of income and retained earnings to be certified by accountants or other independent public accountants selected by the Debtor and satisfactory to the Secured Party. The Debtor will furnish to Secured Party from time to time, such further information regarding the business, affairs and financial condition of the Debtor as the Secured Party may reasonably request. All financial statements delivered hereunder shall be prepared on the basis of generally accepted accounting principles.

(10) The execution by Debtor of this Security Agreement and the Note secured hereby has been duly authorized by the Board of Directors of Debtor.

(11) It is understood and agreed by Debtor that other lending institutions in addition to Secured Party may participate in the making of the Loan covered by this Security Agreement in which event any such additional lending institution so participating in the making of such Loan shall benefit from and be additionally secured as to payment by the terms and conditions of this Agreement.

EXECUTED this 14th day of September, 1976.

ANGELINA & NECHES RIVER
RAILROAD COMPANY

ATTEST:

[Signature]
Secretary

By *[Signature]*
President

DEBTOR

THE LUFKIN NATIONAL BANK

ATTEST:

[Signature]
A. Cashier

By *[Signature]*
President


SECURED PARTY

THE STATE OF TEXAS X

COUNTY OF ANGELINA X

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared MELVIN E. KURTH, JR., President of Angelina & Neches River Railroad Company, a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Angelina & Neches River Railroad Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of September, 1976.



Notary Public in and for
Angelina County, Texas


My commission expires June 1, 1977.

THE STATE OF TEXAS X

COUNTY OF ANGELINA X

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared R. E. RICHARDSON, President of The Lufkin National Bank, a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said The Lufkin National Bank, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of September, 1976.



Notary Public in and for
Angelina County, Texas

My commission expires on June 1, 1977.